Europe’s digital leadership depends on its energy grid

Dear Commissioner Hoekstra,

AI and digital technologies are foundational to the electrification of Europe’s economy.

They help integrate faster renewables into the energy system, reducing Europe's exposure to imported fossil fuels. They help industry and buildings electrify more efficiently, strengthening Europe's competitiveness and making Europe a more attractive place to invest. They also make electricity grids smarter and more resilient by helping them, for example, to anticipate and withstand extreme weather events and power homes and industry through the climate shocks we are already living through.

Geopolitical developments are making this case even stronger. Since the closure of the Strait of Hormuz, Europe has paid more than €50 billion for its energy.[1] The lesson is clear: Europe must embrace the transition to homegrown, clean energy. That transition will only succeed if it is powered by AI and digital technologies.

We call on the European Commission to:

- **Set a binding EU electrification target of at least 32% by 2030**, and address the regulatory distortions that make electricity less competitive than fossil fuels, starting with cutting electricity taxes. We welcome the Electrification Action Plan and its 46% indicative target for 2040, but an indicative goal will not deliver the certainty industry needs - only a binding, nearer-term target can unlock the investment required to hit it.
- **Accelerate grid digitalisation.** This starts with proper implementation of existing EU rules that reward operational and capital investments by grid operators equally and upfront. Digitalisation must be a core grid modernisation pillar alongside physical grid expansion. As we have described, it requires a supportive investment framework, including grid performance indicators[2], harmonised rules for energy data access, common grid communication protocols and increased EU funding to embed digitalisation across the entire lifecycle of grid distribution networks.
- **Speed up industrial permitting and grid connections for digital infrastructure.** The EU should set a maximum 12-month permitting period for grids, streamline and digitalise permitting procedures, and introduce clear, transparent rules for who gets connected to the grid first, based on project readiness, not just who applied earliest. AI itself can speed up these processes, but must be matched by a more predictable administrative framework.

Europe has world-leading energy and clean technology companies. The priority now is to create the conditions to scale them. Electrification, enabled by AI and digital technologies, is central to Europe's competitiveness, climate ambitions and energy independence.

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